

Bush Budget is a Jolt to Maine's People and Priorities

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Congressman Michaud, Ranking Member of the Subcommittee on Benefits of the House Veterans' Affairs Committee, today highlighted how the budget underfunds veterans' healthcare programs. In a Veterans' Committee hearing today, the President's own Veterans' Affairs Cabinet Secretary, Anthony J. Principi, revealed that the President's budget called for \$1.2 billion less than Principi had requested for the VA. Moreover, the President's budget seeks to increase co-payments for Priority 7 and 8 veterans whose incomes are higher than \$24,600.

"The Administration is proposing policies that will underfund the veterans' healthcare system while, at the same time, they are raising user fees. It is simply wrong that the President has called for permanent tax cuts for millionaires while increasing medical co-pays for veterans," said Congressman Michaud.

In addition, as a member of the Small Business Committee, Congressman Michaud pointed out that the President has asked for significant and damaging cuts at the Small Business Administration (SBA). Maine has received as much as \$31,000,000 a year in SBA loans in the past, but the President's budget would eliminate all funding for the popular 7(a) Loan Guarantees and SBIR Loans, which are directed at rural areas.

"Small businesses are at the heart of Maine's economy – over 60% of Mainers are employed by a small business. At a time when we are trying to create new jobs, we need to promote small businesses. The President's proposed budget would eliminate all funding for many of the small business loan programs that sustain and create Maine businesses," said Michaud.

Another program that is critical to Maine's economy, the Manufacturing Extension Partnership (MEP), provides technical assistance to manufacturers who are working to remain globally competitive. In the past, this program has provided over \$10 million a year to Maine manufacturers. However, the proposed MEP funding of \$39.2 million is dramatically reduced from \$111 million in 2003.

"The Manufacturing Extension Partnership has been a tremendously positive force for jobs and business development both in Maine and around the country. This program has been used in Maine to help WahlcoMetroflex, Inc. in Lewiston and Auburn Machinery, Inc., among many others, expand their workforces, creating quality jobs with high salaries and good benefits. The cut to MEP hurts small businesses and hurts workers," said Michaud. Many other critical programs for Maine face cuts. Even Start, a family literacy program, has provided up to \$1.3 million a year for Maine in the past. This program has provided money to school districts in Fort Kent, Lewiston, East Millinocket, and Farmington, among others. The President proposes to eliminate this program. The Clean Water State Revolving Fund provides low interest loans to the State of Maine to help local communities finance wastewater and sewer projects that they could not otherwise fund. Maine has received as much as \$15 million annually to fund projects in Caribou, Bangor, Machias, Sanford and Rangeley. The President's budget would cut this program by 38%, making it impossible for some communities to afford projects to reduce water pollution and improve sewer systems. The budget would also rescind over \$750,000 that has already been allocated to potato research for the study of water use efficiency, agricultural economics, and potato late blight in Maine.

“The President's budget will cut money for Maine's schools, clean water, and agricultural programs,” said Michaud. “The EPA will have \$606 million less than last year, Pell Grants will be frozen, the President's budget would open ANWAR to oil and gas drilling, and Medicaid is cut.”

The budget projects a \$521 billion deficit in 2004, by far the largest deficit in history and a change of \$757 billion from the record surpluses that the President inherited when he took office. Last week, the non-partisan Congressional Budget Office demonstrated in its budget forecast that the deficit is largely attributed to the President's tax policies.

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